SASKATCHEWAN WORKERS' COMPENSATION BOARD

Annual Report 2005

The Saskatchewan Workers' Compensation Board's mission and sole purpose is to serve injured workers and their employers. Our vision is to excel in the development and delivery of workers' compensation and injury prevention programs and services.

In support of our mission and vision we will:

1. Provide the right service, at the right time, and be cost-effective in our processes.
2. Act with dignity and treat everyone with respect.
3. Conduct our business in a fair, open, honest and professional manner.
4. Bring about positive relationships with workers, employers, and others affected by the workers' compensation system.
5. Communicate our distinct identity, benefits and values.
6. Expect and recognize individual and corporate achievements and contributions to our workplace.
7. Ensure the financial integrity of the Workers' Compensation Board.

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The WCB gratefully acknowledges the help of the following organizations in creating the WCB's 2005 annual and stakeholder reports:

Affinity Credit Union

CNH

Encana

General Cable

Maple Leaf Canada

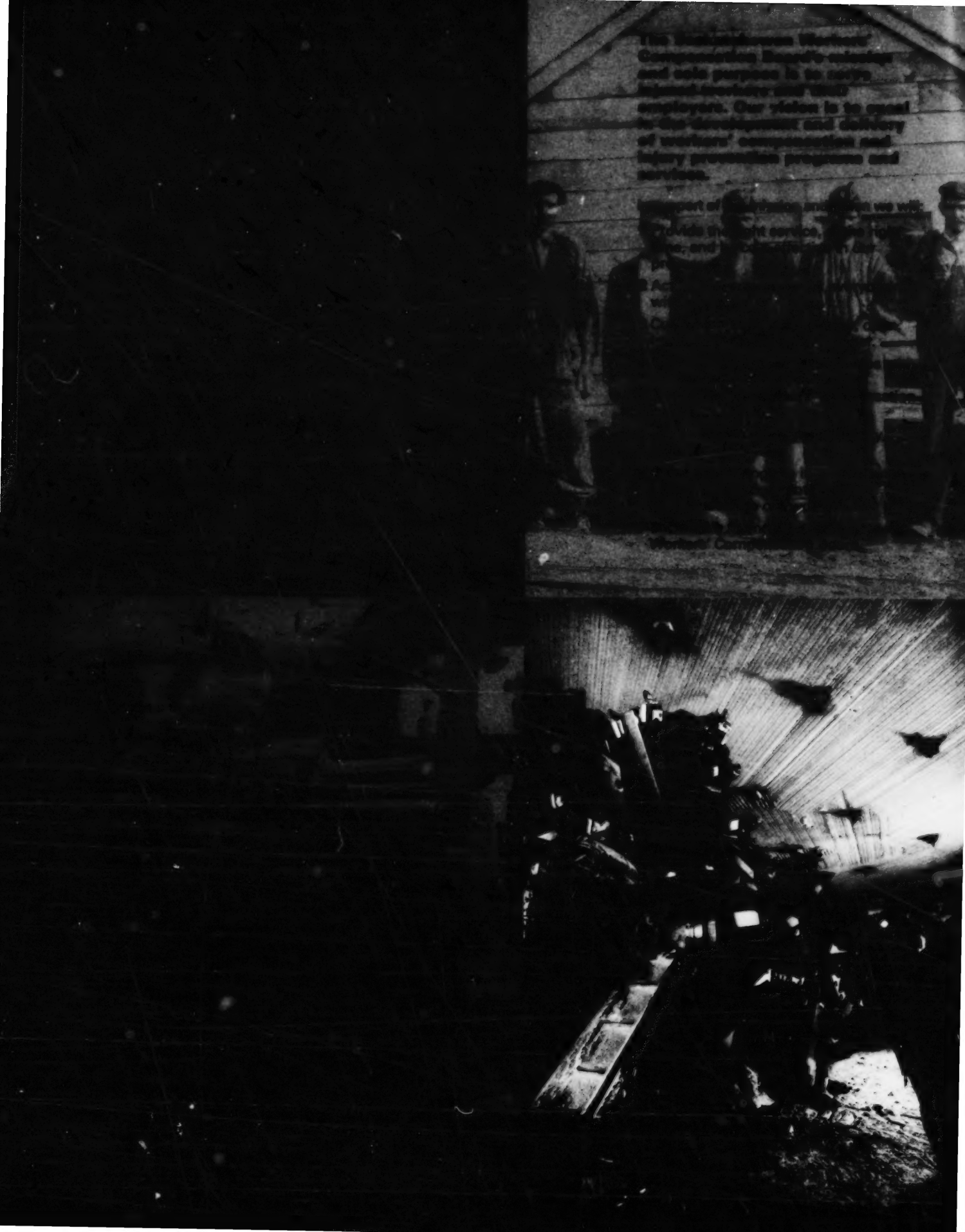
Molson

Rite-Way Manufacturing

Saskatchewan Archives Board

STC

University of Regina Allied Health Centre



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Statement of Beliefs

The Statement of Beliefs is rooted in the Meredith Principles and describes what the WCB holds to be true about Saskatchewan's compensation system, our stakeholders, and the nature of our relationships with workers, employers, and the people of Saskatchewan.

Our corporate beliefs are:

1. Injured workers and employers deserve excellent service.
2. Workers, employers and others deal with us honestly.
3. Employers care about their employees and care that their employees receive excellent service.
4. The WCB's future relies on positive relationships built on trust, understanding and cooperation in our programs and decisions.
5. WCB employees want to excel in customer service.
6. The WCB is guided by its corporate values in all of its decisions.

Values Statement

Our corporate values are the standards by which our actions and decisions are to be considered and judged by others.

1. **Dignity** – Those we serve and those we work with are treated with respect and consideration.
2. **Fair** – Those we serve and those we work with are treated equally and without prejudice or bias, and in a timely manner.
3. **Honest** – Those we serve and those we work with are treated truthfully.
4. **Open** – Our programs and services are easy to access and to understand. Our decisions and actions are clear, reasonable and open to examination.

Strategy Statements

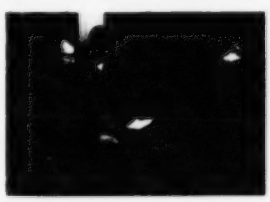
The strategy statements are meant to be interrelated and mutually supportive. Taken together, strategy statements are meant to represent a comprehensive, preferred future for the organization.

Service – We will provide support to injured workers, their families and employers when they need it most. We will develop and promote injury prevention programs. We will return injured workers to wellness, including the return to suitable employment.

Relationships – We will continue to build relationships that serve the interests of workers and employers.

Strategic and Risk Management – We will follow a planning process that anticipates and responds to the environment, that integrates operational planning, and that results in service and management excellence and efficiency. We will follow a risk management process that identifies and mitigates risks that jeopardize the implementation of the strategic plan.

Employee Relations – We will promote pride in WCB employees and require accountability for individual and corporate achievements, and responsibility for how work is accomplished.



Year at a Glance

	2005	2004	2003	2002	2001
Number of workers covered[1]	327,064	325,565	309,362	306,518	308,719
Lost time claim rate (per 100 workers)[2]	4.25	4.40	4.81	4.95	4.79
Number of claims reported	39,904	37,715	38,919	39,821	38,240
Number of lost time claims accepted[2]	13,904	14,329	14,876	15,174	14,786
Permanent Functional Impairment awards	460	431	469	484	407
Fatal claims accepted	20	26	26	16	29
Number of appeals filed					
Appeals Department	1,149	1,077	1,081	979	826
Board Level	308	284	240	297	246
Return to work percentages[3]					
Secondary treatment centres	87%	85%	88%	91%	84%
Tertiary treatment centres	81%	82%	79%	84%	84%
Claim costs ($ millions)	205.9	210.9	199.2	'221.1	'239.3
Active employer accounts[4]	32,851	32,125	31,630	31,327	31,225
Premium revenue ($ millions)	212.0	221.0	177.6	'154.4	147.8
Average Board-approved premium rate[5]	1.97	2.05	1.83	1.67	1.62
Investment revenue ($ millions)	46.5	35.7	48.0	46.0	72.0
Benefits liabilities ($ millions)	871.3	836.5	801.8	778.5	700.5
Reserves and Injury Fund Excluding AMVA ($ millions)[6]	7.4	(9.5)	(51.4)	(43.5)	50.0
Reserves and Injury Fund Including AMVA ($ millions)[6]	135.2	52.7	N/A	N/A	N/A

[1] Full-time equivalent workers are based on Statistics Canada average wage and WCB payroll information as of December 31st. 2005 full-time equivalent workers based on estimate of both average wage and payroll information.

[2] Number of lost time claims and the lost time claim rate are as at December 31st.

[3] Return-to-work percentages are now calculated to represent actual returns to the job plus work readiness. Previous year figures have been changed to reflect new data calculations.

[4] Includes active employers as at December 31st.

[5] All years are Board-approved rates.

[6] Accumulated Market Value Adjustments (AMVA) is the fund created by Board policy starting in 2004 as a result of changes to accounting standards related to accounting for investments. Investments are recorded at fair market value and the AMVA represents unrealized gains (fair market value less carrying value) recorded in these investments.

[7] Certain comparative figures have been changed to conform to the current year's presentation.

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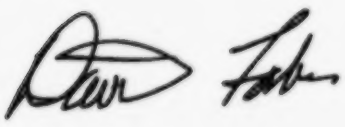
Letters of Transmittal

The Honourable Lynda Haverstock
Lieutenant Governor
Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of the Workers' Compensation Board for the Calendar Year 2005.



David Forbes
Minister of Labour

The Lieutenant Governor in Council:

We are pleased to submit the seventy-sixth Annual Report of the Workers' Compensation Board for the year ending December 31, 2005.

Respectfully submitted,

John Solomon, Chairman

Karen Smith, Board Member

Walter Eberle, Board Member

Chairman's Message

This document marks a significant chapter in the history of the Saskatchewan Workers' Compensation Board. It is the report on the WCB's 75th year of serving Saskatchewan workers and employers.

In my review of 2005's challenges and achievements, I am impressed with the remarkable advancements that Saskatchewan's workers' compensation system has made in 75 years of operation.

I am sure that the founders of our system had no idea of how the workplace would change over 75 years. Automotive repair mechanics have replaced buggy whip manufacturers... e-mail has replaced the telegraph... big box retail outlets have replaced the corner dry goods store.

Nor would they have contemplated the types of injuries we now adjudicate based on the changed world of work. Claims for stress, repetitive strain injuries, and occupational diseases call for more knowledgeable adjudicators and better means for assessing these claims. External influences affect our business, as well. The advent of the global economy requires us to look beyond our borders for influences on our financial performance. Increasingly, institutions are being called upon to become ever-more accountable to the individuals that they serve.

Norm Brown retired as the WCB Board Member representing employers in 2005.

WBC Board Members: John Solomon, Board Chairman; Karen Smith, Employer Representative; Walter Eberle, Labour Representative.

Maintaining the balance between the needs of workers and those of employers continues to be part of that challenge. Rather than getting easier, the system continues to become increasingly complex. Therefore, we must continue to find smarter and better ways to manage it. Seventy-five years ago, workplace injuries were viewed simply – as a cost of production. Today, their toll on both the bottom line and on the suffering of injured workers and those around them is taking on greater importance.

The horrific physical results of many injuries have not changed. What we are striving for is changing attitudes towards those injuries, and putting measures in place to stop them from happening in the first place. If they do occur, we need to make sure that everyone involved – the worker, the family, the employer and health care provider – are receiving the most respectful, highest-quality service we can provide.

The architects of the system may not have been able to foresee the world of work as it is today. But I do believe they did understand that the principles on which they built workers' compensation needed to endure over time. The Meredith Principles became the bedrock for withstanding the shifting fortunes of a dynamically changing environment. By holding true to its precepts of compensation without fault, collective liability, Board independence, exclusive jurisdiction, and security of payment to injured workers, the Saskatchewan WCB has weathered many storms – from plummeting financial markets to shifts in public policy to push and pull from critics and supporters of the system alike.

That we have been able to continue service to Saskatchewan workers and employers in spite of the financial and philosophical challenges that the WCB has faced over the years is a tribute to the men and women who work here. They continuously demonstrate the spirit of co-operation, fairness and hard work that are hallmarks of this province's success.

I would like to pause in my reflections to thank Norm Brown for his contributions to the Board. Mr. Brown retired last summer, after 12 years as the Board Member representing employers. Nearly a year of that time was served as Acting Chairman. During his leadership role, he contributed to such milestones as the creation of the WCB's strategic plan and the organization's first steps into workplace injury prevention. At the same time I thank Norm Brown for his long service, I also want to recognize Karen Smith, our new Employer representative on the Board, and Walter Eberle, who has been the Board's Labour representative for the past four years. Their fresh insights into the needs of the constituents each of them represents will help us continue to make policy decisions based on fairness, equity and accountability.

During 2005, we saw legislative amendments to *The Workers' Compensation Act* that expanded coverage to include firefighters who suffer from certain types of cancers or job-related heart injuries. Although the WCB will continue to adjudicate these kinds of claims based on the evidence, this situation is a tangible reminder of the need for the compensation system to continue to be responsive to the changing nature of work and work-related injuries.

How do we compare with other Canadian provinces in serving workers and employers? The following list is by no means exhaustive, but it provides a good snapshot of how we measure up against other jurisdictions based on most recent published statistics compiled by the Association of Workers' Compensation Boards of Canada (AWCBC).

- The Saskatchewan WCB is one of only four Boards to be fully funded for all future liabilities.
- We have the shortest time for workers receiving wage loss benefits to receive their first payment.
- We have virtually the lowest administration cost per time loss claim.
- The Saskatchewan WCB records the lowest costs for administering a final level of appeal, coupled with one of the shortest wait times for appeal decisions.
- Saskatchewan maintains one of the most comprehensive benefits programs for injured workers.
- Saskatchewan's third-lowest average premium rate of all the provinces gives us one of the best premium-to-benefit ratios.
- Equal representation for both workers and employers makes us a truly stakeholder Board.

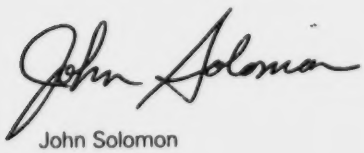
We pride ourselves on being one of the most transparent and accountable Boards in Canada, through many stakeholder events allowing complete access to our Board and Executive Members. Such opportunities for face-to-face dialogue include our annual general meeting, our two-day educational session *Compensation Institute*, and annual employer consultations on rate setting. As well, senior management attends the legislature's Public Accounts Committee, and are frequent guests at annual general meetings hosted by our stakeholders.

We look forward to 2006's Committee of Review and its recommendations for change and revitalization of the compensation system. Saskatchewan's compensation legislation provides for a review of the system's policies and practices every four years, with recommendations on changes and improvements provided to the Minister Responsible. We are the only jurisdiction in Canada that undergoes an examination of this kind. We are pleased that of the 47 recommendations from the 2002 review, the WCB and Saskatchewan Labour have either fully or partially implemented 41 of them. It is this look at our operations from the outside that often helps us to take new directions or to affirm the correctness of our current course.

Where will our inspiration come from in the years that lie ahead? We must look far in advance of what we know today, to make good predictions about how the compensation system needs to be managed in the future.

We are aware that an aging workforce will influence the kinds of injuries that are reported, and the length of time required for recovery. We know that aboriginal enterprises will become a leading economic factor in this province. As well, more aboriginal workers entering the job market will play a role in how we conduct our future business. Finally, and most importantly, we are convinced that eliminating the causes of workplace injuries will continue to greatly reduce their costs to the compensation system.

The next 25 years will bring us closer to marking a century of service to Saskatchewan workers and employers. I am confident that the system resulting from the historic compromise between employers and workers that we have been entrusted to manage will endure, remaining reliable and stable for many, many years to come.



John Solomon
Chairman

Chief Executive Officer's Message

A host of factors contribute to the success of an organization. There are those over which we have control, and there are those over which we do not. Our management approach is to recognize what we can influence, and to develop strategies that focus on those items of greatest significance.

We have seen how forces in our external operating environment can have a significant impact on our operations. The lessons we have taken away from the slump in the investment market at the beginning of the decade made us more aware of the necessity for seeking predictable outcomes in a dynamic setting and ensuring preparedness to manage through the unpredictable and unexpected.

In our own industry, many factors come together to influence the cost of workplace injury claims: the duration and severity of injuries, the costs of care and treatment for those injuries, inflation, and the costs to administer those claims.

Out of that list, there is one item that presents the greatest opportunity for the reduction of the human and financial costs of workplace injuries – the occurrence of the injuries themselves. Simply, by reducing the number of injuries, we reduce the associated compensation costs. This is also a factor over which we can have significant influence.

Over the past three years, I have written about the importance of injury prevention for all stakeholders in the system. My message in this report continues on that theme, because this direction has proven results, but remains the single largest opportunity to positively affect the compensation system.

Gail Kruger, Vice-President, Prevention, Finance and I/T; Graham Topp, Vice-President, Operations; Peter Federko, Chief Executive Officer; Donna Kane, Vice-President, Human Resources and Team Support.

The year ended December 31, 2005 reports an operating surplus of almost $17 million, the second consecutive operating surplus since the economic downturn of 2001. Improved investment returns, a further reduction in claim durations, continued control over health care and administrative costs and a further reduction in the number of time loss claims all contributed to these positive operating results.

Late in 2005, the WCB received a report from the independent Early Intervention Program (EIP) Committee on the program's effectiveness, which also contained recommendations for improvement. The EIP was launched in 1996, with an evaluation of its activities and intent scheduled for 2005. Although overseen by the EIP Committee, an independent third party conducted the evaluation. Under this program, a time-sequenced system of assessment, treatment and review is tailored for the individual injured worker. The content of the report, released in February 2006, essentially found that the EIP did add value, and offered improvement recommendations.

The reduction in time loss claims is reflected in a further reduced injury rate, closing the year at 4.25%. This represents a more than 14% decrease since 2002, when the injury rate was at its 20-year high of 4.95%.

More importantly, it reflects the fact that fewer workers are sustaining injuries serious enough to take them away from work. Such a result continues to fuel our strategic determination to reduce the province's injury rate to 4.00% by the end of 2006. What would this reduction in injuries mean?

- The cost of 100 time loss injuries totals approximately $1 million in compensation costs.
- A $1 million reduction in these costs means approximately one cent on premium rates.
- A reduction in the injury rate from 4.25% to 4.00% represents approximately 800 fewer time loss claims.
- It is said that indirect costs of injuries to the Saskatchewan business sector and the province's workforce (such as lost productivity and lost opportunities) equal approximately four times the costs directly attributable to compensation costs.

These statistics highlight the economic costs of workplace injuries and the potential savings associated with a reduction in time loss injuries. Of equal significance are the human costs associated with injuries, which, when taken together with the economic costs, validate the significance of the opportunity.

The WCB has realized the cost savings from reducing workplace injuries by way of claim costs attributed to time loss claims. In 2005, injury claims requiring time off work dropped by 425, and accompanying claim costs decreased by $4.2 million. This decrease in costs has served to offset inflationary increases, which have had an impact on the costs of wages, supplies and services.

This fall in claim costs was an important contributor to the turnaround in our financial performance. Our positive results at year-end indicate we are on the right course of continuing to build financial stability. As with last year's surplus, the 2005 surplus amount will be applied to further reduce the deficit in the Injury Fund to $21 million, and bringing it closer to the level targeted by the Board's funding policy. Despite this deficit, the WCB remains fully funded according to its legislation, meaning we are able to pay 100% of the future costs of all claims. However, the lessons learned keep us focused on the need to replenish the Injury Fund and reserves to the required levels to weather the next unpredictable event.

On the strength of 2005's financial performance, WCB administration received approval from Board Members to decrease the 2006 average employer premium rate 6.6% to $1.84. During consultation meetings explaining the 2006 rate package, employers told us they wanted more study done on a proposed incentive program that recognized the implementation of workplace safety systems. As well, some employers voiced concerns about eligibility criteria for the revised Experience Rating Program introduced in 2005. As a result, the WCB has maintained existing criteria for 2006 and forwarded the concerns to the independent stakeholder committee for their review.

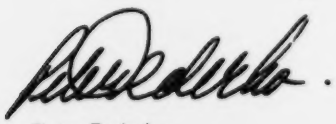
Our blueprint for the future continues to rely on building greater awareness of workplace injuries and their prevention. The ***WorkSafe Saskatchewan*** workplace injury prevention campaign continues to produce remarkable results. At the end of November 2005, awareness of the ***WorkSafe Saskatchewan*** program itself increased to 65% from 2003's baseline awareness of 43%. More importantly, 42% of respondents reported that the campaign positively influenced their attitudes and behaviours toward injuries.

In addition to the public information campaign, the ***WorkSafe Saskatchewan*** strategy includes:

- focused efforts on industries and employers who could use our help most in reducing their injury rates.
- refinement of the Experience Rating Program.
- further development, analysis and promotion of the Certificate of Recognition.
- continued support for partnerships with like-minded organizations, like ***Safe Saskatchewan***.

Social marketing efforts, through ***WorkSafe Saskatchewan*** and ***Safe Saskatchewan***, will continue to influence the perceptions of the significance and acceptability of injuries at work, home and play. This, combined with focused and targeted programs, ought to continue to influence the downward trend in the injury rate and continue to contribute to a stronger compensation system. With the national average injury rate hovering around 2.5%, there is still much opportunity for a reduced injury rate – and the associated benefits – here in Saskatchewan. With the continued support and commitment of our stakeholder partners, I believe these opportunities are within reach.

The WCB's 2005 results demonstrate that the course we have chosen is the right one. Our patience and perseverance have paid off. We have turned both our financial performance and the Saskatchewan injury rate around in just a few short years. This is an indicator to me that we will succeed in our determination to deliver excellence in workers' compensation and injury prevention services to our stakeholders.



Peter Federko
Chief Executive Officer

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) is a narrative explanation of the Workers' Compensation Board's (WCB's) financial condition and results of operations for the year ended December 31, 2005 compared with the year ended December 31, 2004. The MD&A should be read in conjunction with the audited financial statements and supporting notes.

Forward-looking narrative statements contained in this discussion and analysis represent management's expectations based on information currently available. Because forward-looking statements involve risks and uncertainties, actual results may differ from descriptions of results made on the following pages.

2005 Financial Highlights

Driven by a strong provincial economy, positive investment returns, a decrease in the overall injury rate, and a reduction in claims costs, the WCB recorded a surplus of $17.0 million in 2005. This compares with an $11.7 million surplus in 2004. Not including the Accumulated Market Value Adjustment fund, the WCB now holds $7.4 million in its funded reserves. This marks the first time since 2001 that the WCB has been in a net positive funded position.

Revenues

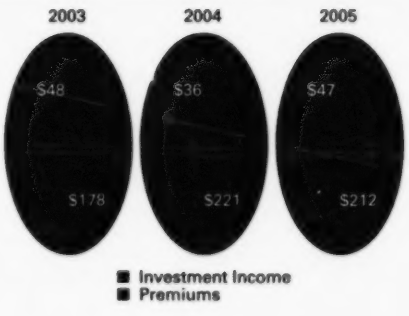
The WCB's revenue is derived from two sources: premium income and investment income. In 2005, revenues totaled $258.5 million, a 0.7% increase over 2004 revenues of $256.8 million.

Premiums

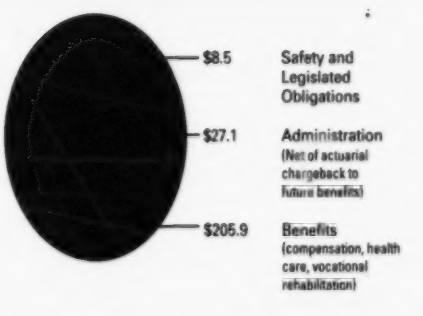
Premiums decreased by 4.1% from $221.0 million in 2004 to $212.0 million in 2005. This decrease is driven by revisions to the Experience Rating Program and a decrease in the average premium rate, which was offset, to some extent, by increases in reported payrolls.

For 2005, the average premium rate decreased by 3.9%, from $2.05 in 2004 to $1.97. Employer payrolls increased by 5.3% from $10.47 billion to $11.03 billion, partly because of provincial economic growth and partly because another legislated increase to maximum insurable earnings came into effect in 2005, increasing the amount from $53,000 to $55,000.

SOURCES OF REVENUE ($ MILLIONS)



ALLOCATION OF EXPENSES ($ MILLIONS)



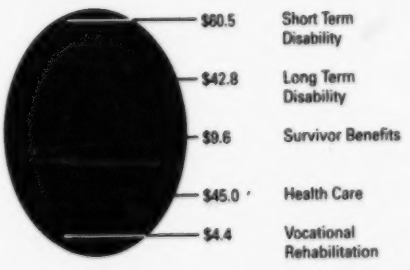
Investment Income

Investment income rose 30.2% – from $35.7 million in 2004 to $46.5 million in 2005. Due to a major accounting policy change that became effective in 2004, investment income now reflects actual income received. The $46.5 million investment income reported in the Statement of Operations represents $22.4 million of investment income, while $24.1 million is the net amount of gains realized from the sale of equities and bonds. Because real estate is carried at book value, all net realized gains on sales are included in the $22.4 million amount.

Because of the accounting policy change, the WCB now reports its unrealized gains and losses in the Statement of Surplus (Deficiency in Assets) as market value adjustments. In 2005, the Accumulated Market Value Adjustments (AMVA) grew by $65.5 million. The WCB's total net gains were $89.6 million and, as noted, the net realized gains from the sale of investments was $24.1 million. The remaining $65.5 million is accumulated net gains, yet to be realized through sales. Because those investments were not sold in 2005, the net gains were not recognized in income even though this market value increase is reflected in the carrying value of investments reported in the Statement of Financial Position.

Investment income is an important revenue stream for the WCB – one that is relied on to supplement premiums to cover total expenses for the year. Built into the valuation of the benefits liabilities and into the premium rate setting model is the long-term assumption that the WCB's investments will generate an annual rate of return of 7%. In 2005, the investment return was 13.7% at market.

PROGRAM EXPENSES ($ MILLIONS)
Excluding actuarial adjustments – see Note 9 in the financial statements



AWCBC Cross-Jurisdictional Key Statistical Measure Comparison
Provisional Average Assessment Rates per $100 Payroll 2001-2005

Jurisdiction	2001	2002	2003	2004	2005
AB	1.28	1.68	1.89	1.98	1.83
BC	1.79	1.90	1.92	1.91	1.97
MB	1.49	1.52	1.56	1.70	1.70
NB	1.64	1.90	2.07	2.20	2.19
NL	3.24	3.24	3.24	3.24	3.19
NS	2.54	2.54	2.54	2.57	2.65
NT/NU	1.00	1.18	1.60	1.91	1.87-2.07*
ON	2.13	2.13	2.19	2.19	2.19
PE	2.24	2.29	2.39	2.39	2.33
QC	1.90	1.85	1.93	2.15	2.27
SK	1.62	1.67	1.83	2.05	1.97
YT	1.25	1.25	1.41	1.54	1.74

Figures represent subsidized rates.

Taken from the AWCBC's Key Statistical Measures (www.awcbc.org)

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Driven by a strong provincial economy, positive investment returns, a decrease in the overall injury rate, and a reduction in claims costs, the WCB recorded a surplus of $17.0 million in 2005. This compares with an $11.7 million surplus in 2004. Not including the Accumulated Market Value Adjustment fund, the WCB now holds $7.4 million in its funded reserves. This marks the first time since 2001 that the WCB has been in a net positive funded position.

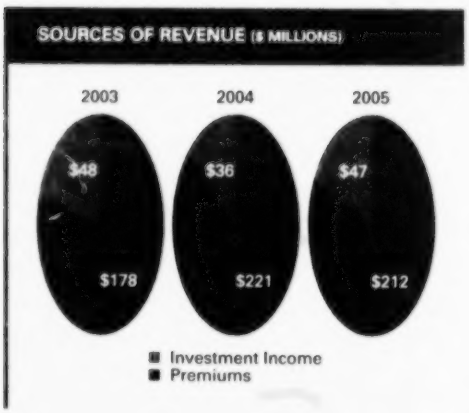
Revenues

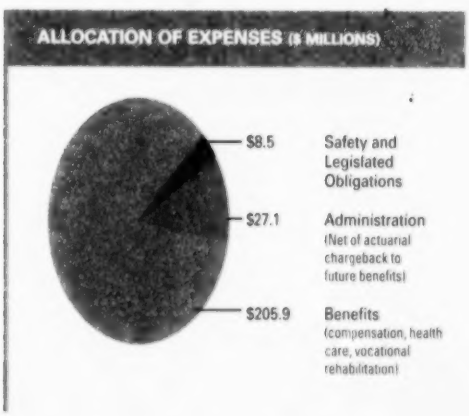
The WCB's revenue is derived from two sources: premium income and investment income. In 2005, revenues totaled $258.5 million, a 0.7% increase over 2004 revenues of $256.8 million.

Premiums

Premiums decreased by 4.1% from $221.0 million in 2004 to $212.0 million in 2005. This decrease is driven by revisions to the Experience Rating Program and a decrease in the average premium rate, which was offset, to some extent, by increases in reported payrolls.

For 2005, the average premium rate decreased by 3.9%, from $2.05 in 2004 to $1.97. Employer payrolls increased by 5.3% from $10.47 billion to $11.03 billion, partly because of provincial economic growth and partly because another legislated increase to maximum insurable earnings came into effect in 2005, increasing the amount from $53,000 to $55,000.





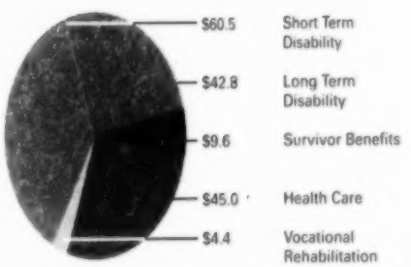
Investment Income

Investment income rose 30.2% – from $35.7 million in 2004 to $46.5 million in 2005. Due to a major accounting policy change that became effective in 2004, investment income now reflects actual income received. The $46.5 million investment income reported in the Statement of Operations represents $22.4 million of investment income, while $24.1 million is the net amount of gains realized from the sale of equities and bonds. Because real estate is carried at book value, all net realized gains on sales are included in the $22.4 million amount.

Because of the accounting policy change, the WCB now reports its unrealized gains and losses in the Statement of Surplus (Deficiency in Assets) as market value adjustments. In 2005, the Accumulated Market Value Adjustments (AMVA) grew by $65.5 million. The WCB's total net gains were $89.6 million and, as noted, the net realized gains from the sale of investments was $24.1 million. The remaining $65.5 million is accumulated net gains, yet to be realized through sales. Because those investments were not sold in 2005, the net gains were not recognized in income even though this market value increase is reflected in the carrying value of investments reported in the Statement of Financial Position.

Investment income is an important revenue stream for the WCB – one that is relied on to supplement premiums to cover total expenses for the year. Built into the valuation of the benefits liabilities and into the premium rate setting model is the long-term assumption that the WCB's investments will generate an annual rate of return of 7%. In 2005, the investment return was 13.7% at market.

PROGRAM EXPENSES ($ MILLIONS)
Excluding actuarial adjustments – see Note 3 in the financial statements



AWCBC Cross-Jurisdictional Key Statistical Measure Comparison
Provisional Average Assessment Rates per $100 Payroll 2001-2005

Jurisdiction	2001	2002	2003	2004	2005
AB	1.28	1.68	1.89	1.98	1.83
BC	1.79	1.90	1.92	1.91	1.97
MB	1.49	1.52	1.56	1.70	1.70
NB	1.64	1.90	2.07	2.20	2.19
NL	3.24	3.24	3.24	3.24	3.19
NS	2.54	2.54	2.54	2.57	2.65
NT/NU	1.00	1.18	1.60	1.91	1.87-2.07*
ON	2.13	2.13	2.19	2.19	2.19
PE	2.24	2.29	2.39	2.39	2.33
QC	1.90	1.85	1.93	2.15	2.27
SK	1.62	1.67	1.83	2.05	1.97
YT	1.25	1.25	1.41	1.54	1.74

*Figures represent subsidized rates.

Taken from the AWCBC's Key Statistical Measures (www.awcbc.org)

Management Discussion and Analysis

Investment Strategy

The WCB's investment strategy is based on a long-term view. However, in the short-term, returns on the fund will vary according to market volatility. The WCB maintains a Statement of Investment Policies and Goals. In this document, the WCB outlines its investment and risk philosophy. To achieve its long-term investment goals, the WCB diversifies among asset classes – fixed income securities, equities, and real estate – to maximize returns at acceptable risk. The WCB further diversifies within asset classes by selecting investment managers with varying investment mandates and styles.

The Statement of Investment Policies and Goals recognizes the characteristics of the WCB's funding requirements: the term of the liabilities is very long and well over half of the existing liabilities will increase with increases in the general level of prices in the future. The WCB's Investment Committee, reporting to the WCB's Board Members, must make prudent decisions on investment strategies based on these characteristics.

Expenses Decrease by 1.4%

The WCB has three main categories of expenses: claim costs, administration costs and the costs of legislated obligations. In 2005, expenses dropped by $3.5 million (1.4%) from $245.0 million to $241.5 million.

Claim Costs

As reported in the Statement of Operations, claim costs comprise the actual amounts spent on programs throughout the year plus the increase in the benefits liabilities, which represents the amount required to pay the future costs of all claims. In 2005, these costs totaled $205.9 million, a 2.4% drop from the $210.9 million spent in 2004.

The program component of claim costs consists of the amounts spent on wage loss compensation to injured workers and their dependants, the health care services provided to injured workers, and any vocational rehabilitation required to return injured workers to meaningful employment. In 2005, program expenditures were $162.2 million, a $4.9 million decrease from 2004's expenditures of $167.1 million. Administration costs for adjudicating and managing claims is also allocated under claim costs, bringing total 2005 program expenses to $171.1 million. This compares to total 2004 program expenses of $176.2 million.

The difference between the $171.1 million spent on administering claims and the $205.9 million claim costs reported in the Statement of Operations is a $34.8 million actuarial increase. This amount is added to the benefits liabilities to ensure the WCB can meet its legislated obligation to pay the costs of all existing claims in the future.

One of the key drivers of claim costs is the duration of the claims being paid. The average duration of all time loss claims in the system (those which occurred during 2005 and those which occurred before 2005) fell by 1.3 days per claim, going from 35.5 days in 2004 to 34.2 days in 2005 – the fifth consecutive year for a decrease in the average duration of all claims. New claims saw the biggest drop in duration, going from an average of 21.4 days in 2004 to an average of 19.6 days in 2005. Since 2001, there has been a drop of 8.1 days or 19.1% in the average duration of all time loss claims.

The second key driver of claim costs is the number of injuries with wage loss paid. In 2005, there were 13,904 new time loss claims, a drop of 3.0% from the 14,329 time

loss claims in 2004. As well as paying wage loss benefits on new claims, claims from previous years are also being paid wage loss benefits. In 2005, a total of 16,587 time loss claims were being paid throughout the year. This is a 2.2% drop from 2004, when 16,966 claims with wage loss were paid throughout the year.

With lower durations and fewer time loss claims paid, the total number of compensation days paid during the year decreased by 5.5%, going from 599,700 days in 2004 to 566,587 days in 2005. Fewer compensation days paid in 2005 led to $4.6 million less paid in short-term wage loss compared to 2004; in 2005 the amount was $60.5 million, while in 2004 it was $65.1 million.

Health care expenses in 2005 were $44.9 million, compared to the $46.0 million paid out in 2004. With fewer injuries in 2005 and fewer days of compensation paid, the cost per day of health care saw an increase. This reflects the WCB's initiative to invest in more treatment at the primary care level to help injured workers return to work as soon as medically possible.

Vocational rehabilitation costs declined in 2005 to $4.3 million, a drop of $0.8 million compared to 2004. Workers experiencing time loss claims are returning to work faster than in previous years, creating less demand for vocational rehabilitation. As well, the WCB is very diligent in applying the criteria for vocational rehabilitation to ensure that only workers who truly require services are given the appropriate training, education, and modifications to their homes and workplaces.

Payments for long-term disability or earnings replacement increased in 2005 to $42.8 million, compared to $40.4 million in 2004. This reflects a net additional 36 claims being converted to long-term earnings replacement in 2005, as well as the carryover of 143 additional claims from 2004 resulting from a comprehensive claims review.

Benefits Liabilities

Benefits liabilities increased 4.2% from $836.5 million to $871.3 million. This $34.8 million increase is driven by a number of factors: a $16.7 million increase in non-pension benefits; a $16.4 million increase in long-term disability benefits (including survivor benefits); and a $1.7 million increase in the expense allowance for the administration of future claims.

The WCB uses long-term economic and actuarial assumptions when determining future benefits payments and administration costs. For 2005, the same methods and assumptions were used as in the previous valuation. The WCB considers these assumptions to be a realistic best estimate of future expectations. Allowance has been made for increases in projected future benefit payments arising from annual price inflation of 3.5%, future wage growth at 1.0% above inflation and medical cost increases at 1.5% above inflation. The WCB's liabilities at December 31, 2005 have been determined by discounting the projected future benefit payments back to their present day value using an annual assumed future investment return of 7.0%. The assumed real (or after-inflation) rate of return of 3.5% is considered a best estimate of long-term expectations.

Non-pension benefits include medical aid (payments made to health care providers), vocational rehabilitation, and short-term disability payments (wage loss). The $16.7 million or 5.5% increase in the non-pension benefits component of the liability is due to

expected increases in medical aid and partial short-term wage loss (transitional return to work). Projected future payments for medical aid are expected to increase at a rate of 5% per year. Projected payments for partial return to work have increased by $5.2 million (8.7%), reflecting the focus by the WCB and its stakeholder partners on helping injured workers make the transition back to work.

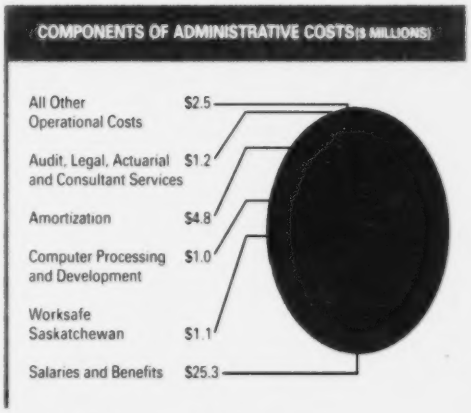
The long-term disability benefits or earnings replacement component increased by $17.0 million, or 4.1%. Contained in this increase is a general wage increase of 3.5% as well as an allowance for the addition of 36 net new earnings replacement claims.

The benefits liabilities also contained an amount set aside to administer benefits in future years. The WCB has determined that the allowance for the expenses included in the liability valuation should be 4.8% of the liability for long-term disability and survivor awards and 5.8% of the liability for all other claims. This resulted in an increase of $1.7 million to the expense allowance for future benefits administration. Future benefits administration accounted for $42.8 million of the $871.3 million total benefits liability.

Administration Expenses

Administration costs rose in 2005 to $35.9 million from $35.1 million in 2004 before costs charged to Future Benefits Administration. This 2.3% increase reflects a negotiated salary increase for staff and an accompanying contribution to the employee wellness plan, as well as a move to amortize computer assets over a four-year period instead of five.

Expenditures on prevention activities through ***WorkSafe Saskatchewan*** increased in 2005. As the two partners in ***WorkSafe Saskatchewan***, the Workers' Compensation Board and Saskatchewan Labour, work to reduce the number of work-related injuries in the province, more time and effort are being spent on prevention initiatives. To the end of 2005, there were 425 fewer time loss claims than in 2004 and the time loss injury rate fell from 4.40% in 2004 to 4.25% in 2005. These successes strengthen and reaffirm the WCB's commitment to continue its focus on prevention activities.



2005 Legislated Obligations

Under *The Workers' Compensation Act, 1979*, the WCB is obliged to fund operations administered by Saskatchewan Labour. In 2005, that funding amounted to $8.6 million, a $0.5 million or 6.2% increase over 2004. Of the $8.6 million spent, $7.8 million ($6.9 million in 2004) was directed to the operation of the Occupational Health and Safety Division, which includes the Chief Occupational Medical Officer, $0.7 million ($0.7 million in 2004) to the Office of the Workers' Advocate, and $0.1 million ($0.5 million in 2004) to the Education and Training Branch. Because the Education and Training Branch was disbanded March 31, 2005, the expense for the branch reflects costs for the period January 1 to March 31, 2005.

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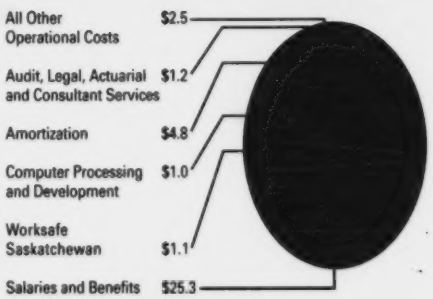
COMPONENTS OF ADMINISTRATIVE COSTS ($ MILLIONS)



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Funding Strategy

The Act calls for the WCB to have sufficient funds to pay the costs of its legislated obligations and its benefits liabilities. Based on this definition, the WCB continues to be fully funded. The WCB shows $135.2 million in its Statement of Surplus (Deficiency in Assets). Of that, $127.8 million is the accumulated net unrealized gains which are not considered when determining the WCB's funded status. The remaining $7.4 million represents actual surplus in the WCB's Injury Fund and reserves.

The WCB maintains a funding policy which determines the types and amounts of reserves either suggested by the Act or thought prudent for maintaining a stable financial foundation. The funding policy outlines three reserves: the Disaster and Occupational Disease Reserve, the Second Injury and Reemployment Reserve and the Economic Stabilization Reserve, and sets out optimal levels for these reserves. While the Disaster Reserve and Second Injury Reserve are fully funded according to current WCB Board policy, the Economic Stabilization Reserve has a zero balance. The funding policy also states that the Injury Fund should be funded at a certain level.

To fully fund the Economic Stabilization Reserve according to current policy, an allocation of $28.5 million would need to be made to this reserve. If the Injury Fund were to be fully funded according to Board policy, an additional $49.5 million would be needed. Accordingly, an additional $78 million is required to bring the Injury Fund and Economic Stabilization Reserve to levels required by the funding policy.

Beginning in 2004, an Injury Fund replenishment component was added to the base premium rate based on a 15-year replenishment plan. This component will continue to be included in the base premium rate until the WCB has replenished the Injury Fund to funding policy levels. For 2005, the premiums dedicated to Injury Fund replenishment amounted to $5.7 million. However, the Board has allocated the total net operating surplus of $17.0 million to this fund, reducing the deficit from $38.0 million to $21.0 million. If full funding is realized before the 15-year target date, the Injury Fund replenishment component will be removed from the premium rate.

For 2006, the WCB added an Economic Stabilization replenishment component to the base premium rate. The intent is to bring this reserve to fully funded status over a period of years.

WORKERS' COMPENSATION BOARD (SASKATCHEWAN)

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements are the responsibility of management and have been prepared in conformity with Canadian generally accepted accounting principles. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the Board. Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The actuary makes use of management information provided by the Board and relies on the work of the external auditors in verifying the data used in the valuation. The scope of their valuation and opinion are given in the Actuarial Certificate.

The financial statements have been examined and approved by the Board of Directors. The Board of Directors meets periodically with financial officers of the Board and the external auditors.

Deloitte & Touche LLP has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the Board's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditors' Report outlines the scope of their examination and their opinion.

Peter Federko, CA
Chief Executive Officer

Gail Kruger, CMA
Vice-President,
Prevention, Finance &
Information Technology

March 3, 2006

TO THE BOARD OF THE SASKATCHEWAN WORKERS' COMPENSATION BOARD

We have completed an actuarial valuation as at December 31, 2005 of the liabilities for benefits payable in the future under the Workers' Compensation Act – Saskatchewan in respect of claims that occurred prior to the valuation date.

We have analyzed the claims data on which the valuation has been based and have performed tests to confirm the reasonableness of the data and its consistency with the data used for valuations in prior years. In our opinion, the claims data is sufficient and reliable for the purposes of the valuation.

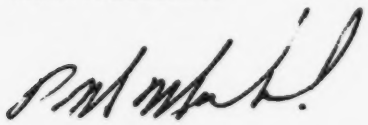
The actuarial valuation of the benefits liability of $871,332,000 represents the actuarial present value at December 31, 2005 of all payments expected to be made in future years in respect of all claims occurring on or before December 31, 2005.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 2005 and reflected the legislated maximum wage rate. The benefits liability includes provision for claims arising in the future in respect of latent occupational diseases only to the extent that such claims have been experienced in the past. It also includes provision for future expenses relating to the administration of existing claims. Payments made by the Board on a self-insured basis are excluded from the valuation of the benefits liability.

The actuarial assumptions and methods employed in the valuation represent the best estimate of the Board's future obligations based on the provisions of the Workers' Compensation Act at the valuation date, the Board's current claims adjudication practices and administrative procedures and the pattern of claims costs experienced prior to the valuation. In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles.

Our actuarial report has been prepared and our opinions have been given in accordance with accepted actuarial practice.

HEWITT ASSOCIATES



Peter M. Muirhead
Fellow, Canadian Institute of Actuaries

March 3, 2006

Deloitte.

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Canada

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AUDITORS' REPORT

To the Members of
Saskatchewan Workers' Compensation Board

We have audited the statement of financial position of the Saskatchewan Workers' Compensation Board as at December 31, 2005 and the statements of operations, surplus (deficiency in assets) and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Saskatchewan Workers' Compensation Board as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants
Regina, Saskatchewan

March 3, 2006

A member firm of
Deloitte Touche Tohmatsu

Statement of Financial Position

As at December 31, 2005

	2005	2004
	(thousands of dollars)	
Assets		
Cash and cash equivalents (note 3)	**$ 66,468**	$ 25,137
Accounts receivable (note 4)	**20,158**	34,392
Accrued interest	**3,665**	2,666
Investments (note 5)	**1,044,664**	948,453
Property, plant and equipment (note 6)	**17,287**	19,608
	$ 1,152,242	$ 1,030,256
Liabilities		
Accounts payable and accrued liabilities (note 7)	**$ 18,587**	$ 23,787
Benefits liabilities (note 9)	**871,332**	836,507
Annuity fund payable	**127,125**	117,256
	1,017,044	977,550
Surplus (Deficiency in Assets) per accompanying statement	**135,198**	52,706
	$ 1,152,242	$ 1,030,256

See accompanying notes to financial statements.

On behalf of the Board:

John Solomon
Chairman

Karen Smith
Board Member

Walter Eberle
Board Member

Statement of Operations

Year ended December 31, 2005

	2005	2004
	(thousands of dollars)	
Revenues:		
Premiums (note 11)	**$ 212,002**	$ 221,031
Investment income (note 5)	**46,505**	35,727
	258,507	256,758
Expenses:		
Claim costs (note 9)	**205,900**	210,891
Administration (Schedule 1)	**27,095**	26,078
Department of Labour (note 8)	**8,546**	8,069
	241,541	245,038
Net operating surplus	**$ 16,966**	$ 11,720

See accompanying notes to financial statements.

Statement of Surplus (Deficiency in Assets)

As at December 31, 2005

	2005				2004
	Funded Reserves (note 10)	Injury Fund	Accumulated Market Value Adjustments	Total	Total
	(thousands of dollars)				
BALANCE, beginning of year	$ 28,463	$ (37,991)	$ 62,234	$ 52,706	$ (51,367)
Change in accounting policy	–	–	–	–	47,602
Adjusted beginning balance	28,463	(37,991)	62,234	52,706	(3,765)
Net operating surplus	–	16,966	–	16,966	11,720
Net unrealized gains (losses) from equities, bonds and pooled funds	–	–	89,641	89,641	60,115
Net realized (gains) losses from equities, bonds and pooled funds	–	–	(24,115)	(24,115)	(15,364)
	–	16,966	65,526	82,492	56,471
Appropriation to fund allocations to employers	24,181	(24,181)	–	–	–
Allocations to employers	(24,181)	24,181	–	–	–
BALANCE, end of year	$ 28,463	$ (21,025)	$ 127,760	$ 135,198	$ 52,706

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2005

	2005	2004
	(thousands of dollars)	
OPERATING ACTIVITIES		
Cash received from:		
Premiums	**$ 220,998**	$ 211,698
Dividends and interest	**31,598**	28,289
	252,596	239,987
Cash paid to:		
Claimants, or third parties on their behalf	**160,523**	165,167
Employees and suppliers, for administrative and other goods and services	**33,972**	34,194
Department of Labour and safety associations	**11,583**	10,842
	206,078	210,203
Net cash provided by operating activities	**46,518**	29,784
INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	**1,091,149**	1,000,758
Disposal of property, plant and equipment	**8,893**	41
	1,100,042	1,000,799
Cash paid for:		
Purchase of investments	**1,102,628**	1,027,463
Purchase of property, plant and equipment	**2,601**	3,694
	1,105,229	1,031,157
Net cash used in investing activities	**(5,187)**	(30,358)
Increase (decrease) in cash during the year	**41,331**	(574)
Cash and cash equivalents, beginning of year	**25,137**	25,711
Cash and cash equivalents, end of year	**$ 66,468**	$ 25,137

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2005

1. Status of the Board:

The Workers' Compensation Board (the Board) operates under the authority of The Workers' Compensation Act, 1979 (the Act).

In accordance with the provisions of the Act, the Board's purpose is to provide workers' compensation insurance to workers who are injured in the course of their employment.

2. Significant Accounting Policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management believes its estimates and assumptions are appropriate; however, actual results could differ from the amounts estimated.

The Board's significant accounting policies are summarized as follows:

Cash and Cash Equivalents

(i) Cash and cash equivalents consists of cash and money market instruments (short-term investments with a term of 90 days or less from the date of purchase) which will be liquidated in the near term to fund operations or used by the investment managers for the purchase of investments.

(ii) Cash equivalents are recorded at fair value.

Investments

(i) Bonds and debentures, equities, pooled equity funds and pooled bond funds are carried at fair value. These investments have been designated as available-for-sale. Realized gains and losses are recorded in operations when realized. Unrealized gains and losses are included in the Accumulated Market Value Adjustments until they are realized. A permanent impairment of an investment is recognized into income immediately. Interest, dividend and other investment income are recognized in the period earned.

(ii) Real estate investments are recorded at cost.

(iii) Transactions in bonds and equities are recorded as of the trade date.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost and is amortized over the estimated useful lives of the assets. Amortization is recorded on a straight-line basis, at the following rates:

Building	2.50%
Office furnishings	10.00%
Computer equipment	25.00%
Software development	33.33%

Notes to Financial Statements

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is receivable by installments within the current year. At year-end, premium income is adjusted based on a review of the employers' actual payrolls. Premium revenue is impacted by discounts or surcharges which are applied to the employers' industry premium rate through the Board's Experience Rating Program.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2005 has been determined by estimating future benefits payments in accordance with the Board's administrative policies and practices in effect at December 31, 2005.

Benefits liabilities do not include any provision for payment of claims relating to the Government of Canada, as they are a self-insured employer. Also, no provision has been made for future claims relating to occupational diseases and injuries that are not currently considered to be work-related.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83(5) of the Act, to compensate injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund represents 10% of eligible payments already made plus interest based on an internally calculated rate of return.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Transactions denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the transaction. Foreign currency gains and losses derived from investments are recorded in the same manner as other investment gains and losses.

Employee Future Benefit Plans

The cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and future pension indexing. The discount rate used to determine the accrued benefit obligation is determined with reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of active employees. The net transitional asset, calculated on the adoption of the change in accounting standards for employee future benefit plans, is being amortized over the average remaining service life. Pensions will be increased annually by the lesser of 2.50% or 50% of the Consumer Price Index in the immediately preceding year. For the defined contribution plan, employee contributions are matched by the Board and expensed in the period made.

Accumulated Market Value Adjustments

The Accumulated Market Value Adjustments fund was created to record the accumulated unrealized gains and losses on investments held at the year-end date. The balance of this fund will have no limit and will not be considered in the determination of the funded status of the Board. In addition, this fund's balance will not be considered for determining premium rates or rebates and will not be considered as available for benefit enhancements.

3. Cash Equivalents:

All cash equivalents are in Canadian securities. These investments are maturing in the near term to fund operations and have an aggregate fair value of $65,012,000 (2004 – $24,878,000) and are comprised of notes and commercial paper with effective interest rates of 3.30% to 4.50% (2004 – 2.30% to 3.05%).

4. Accounts Receivable:

	2005	2004
	(thousands of dollars)	
Premiums	$ 10,419	$ 14,917
Regina Qu'Appelle Health Region	–	8,893
Net accrued pension benefit asset (note 12)	6,433	5,772
Other	3,306	4,810
	$ 20,158	$ 34,392

Accounts receivable at December 31 include an estimate of the annual premium revenues for the year that have not yet been received from employers. The recorded amounts are based upon management's best information and judgment, having regard to actual experience in preceding years. However, until all employers actually submit their final annual payroll information to the Board, the recorded premium revenues for the year and the estimated amounts receivable at year-end are subject to measurement uncertainty.

The amount owing to the Board from the Regina Qu'Appelle Health Region for the sale of the Wascana Rehabilitation Centre was received in March, 2005.

Accounts receivable are net of an allowance for doubtful accounts of $1,435,000 (2004 – $1,445,000).

Notes to Financial Statements

5. Investments:

(a) The investments are comprised of the following:

	2005	2004
	(thousands of dollars)	
Bonds and debentures	**$ 381,989**	$ 358,378
Pooled bond fund	**32,395**	37,220
Equities	**369,880**	329,082
Pooled equity funds	**154,531**	129,039
Real estate	**62,648**	53,266
Discount notes and treasury bills	**43,221**	41,468
	$ 1,044,664	$ 948,453

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Bonds and debentures:

	2005 COUPON RATES (% RANGE)	2004 COUPON RATES (% RANGE)
Government of Canada	**2.75-8.00%**	3.00-8.00%
Provincial Securities	**4.40-8.00%**	4.40-6.50%
Corporate Securities	**3.49-9.00%**	3.75-9.00%

The fair value is shown by contractual maturity. Actual maturity may differ from contractual maturity because certain counterparties have the right to call or prepay certain obligations with or without call or prepayment penalties.

TERM TO MATURITY	2005 FAIR VALUE	2004 FAIR VALUE
	(thousands of dollars)	
Government of Canada Securities		
One year or less	**$ –**	$ 1,730
One through five years	**106,783**	116,522
After five years	**59,521**	69,424
Provincial Securities		
One through five years	**13,756**	12,234
After five years	**82,502**	56,122
Corporate Securities		
One year or less	**3,030**	–
One through five years	**54,105**	29,986
After five years	**62,292**	72,360
	$ 381,989	$ 358,378

(ii) Equities and pooled equity funds:

The Board's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk.

The Board has an investment of $64,509,000 (2004 – $45,180,000) in a pooled equity fund for Europe, Asia and the Far East representing 5.07% (2004 – 4.37%) of the pooled fund's total units. The Board also has an investment of $90,022,000 (2004 – $83,859,000) in a pooled global equity fund representing 10.22% (2004 – 10.58%) of the pooled fund's total units.

(iii) Pooled bond fund

The Board's investment of $32,395,000 (2004 – $37,220,000) in a Canadian corporate pooled bond fund has no fixed maturity date. The investment represents 14.16% (2004 – 14.63%) of the pooled fund's total units.

(iv) Real estate:

All of the Board's real estate holdings are in Canadian commercial property.

(b) Net investment income was derived from the following sources:

	2005	2004
	(thousands of dollars)	
Cash and cash equivalents	$ 1,951	$ 878
Bonds, debentures and pooled bond fund	22,916	19,541
Equities and pooled equity funds	19,258	13,703
Real estate	4,092	3,189
Investment expenses	(1,712)	(1,584)
	$ 46,505	$ 35,727

(c) Market Risk

The Board invests in publicly traded equities and bonds available on domestic and foreign exchanges and in privately traded pooled equity and bond funds. These securities are affected by market changes and fluctuations. The Board does not use derivative financial instruments to alter the effects of these market changes and fluctuations. The Board limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital. In addition, no one holding can represent more than 10% of the market value of the Board's equity portfolio. Investment in pooled funds shall not exceed 10% of the market value of that pooled fund unless provision has been made to transfer assets out of the fund in kind.

(d) Credit Risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. Therefore, the Board's investment policy sets minimum quality standards. The policy allows for a maximum of 15% to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For cash equivalents, the minimum quality standard is R-1. The Board does not anticipate that any issuers will fail to meet their obligations.

(e) Interest Rate Risk

Fluctuations in interest rates can impact the market value of the fixed-income portfolio, as well as shift investor preferences among asset classes. Interest rate risk is minimized by managing the duration of the fixed-income portfolio within predetermined prudent policy limits.

(f) Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size.

(g) Foreign Exchange Risk

The Board has certain investments denominated in foreign currencies. During 2005 the Board did not undertake hedging strategies to mitigate currency risk of foreign equities and currency influenced short-term returns. The Board limits its holdings in foreign equities to 27% of the investment portfolio. As at December 31, 2005, the Board's holdings in foreign equities and pooled equity funds had a fair value of $224,024,000 (2004 – $184,435,000) representing 20.2% (2004 – 18.8%) of the fair value of the total investment portfolio, including cash equivalents.

6. Property, Plant and Equipment:

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE 2005	2004
		(thousands of dollars)		
Land	$ 1,375	$ –	$ 1,375	$ 1,375
Building	20,314	7,821	12,493	13,242
Office furnishings	4,314	3,805	509	918
Computer equipment	11,507	10,873	634	1,606
Software development	29,062	26,786	2,276	2,467
	$ 66,572	$ 49,285	$ 17,287	$ 19,608

7. Accounts Payable and Accrued Liabilities:

	2005	2004
	(thousands of dollars)	
Occupational Health & Safety	$ 7,765	$ 6,943
Employee benefits liability	4,075	4,057
Premium refunds	3,383	3,169
Other payables	1,855	1,655
Accrued investment purchases	728	6,837
Worker's Advocate	688	663
Education and Training	93	463
	$ 18,587	$ 23,787

8. Department of Labour Expense:

Section 117(g) and (h) of the Act directs the Board to expend monies for the cost of administration of the industrial safety program; the expenses, including salaries and remuneration, of the office of the Workers' Advocate; and the expenses of any Committee of Review established under the Act.

	2005	2004
	(thousands of dollars)	
Occupational Health & Safety	**$ 7,765**	$ 6,943
Workers' Advocate	**688**	663
Education and Training	**93**	463
	$ 8,546	$ 8,069

The Education and Training program was discontinued March 31, 2005. The expense for 2005 for this item reflects costs for the period from January 1 to March 31, 2005.

9. Benefits Liabilities and Claim Costs Expense:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2005.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Future benefits payments have been discounted to their present value by applying a real interest rate of 3.5% per annum. The determination of the future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits.

Long-term economic and actuarial assumptions and methods are reviewed annually, prior to when the independent actuarial valuations are performed. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities.

	2005	2004
Inflation	**3.5%**	3.5%
Real future growth in gross wages	**1.0%**	1.0%
Real future increase in health care costs	**1.5%**	1.5%

Adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods are recorded in the current year as claim costs expense together with the actuarial cost of claims for reported and unreported work related injuries that occurred during the year.

Notes to Financial Statements

Benefits Liabilities Continuance Schedule

	2005							2004
	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	Total	Total
	(thousands of dollars)							
BALANCE, beginning of year	$ 138,220	$ 411,244	$ 82,867	$ 133,538	$ 29,593	$ 41,045	$ 836,507	$ 801,777
ADD: Claim costs incurred:								
Current year injuries	61,312	19,233	2,871	45,725	4,428	7,470	141,039	141,815
Prior years' injuries	8,714	40,511	6,221	7,462	(1,154)	3,107	64,861	69,076
	70,026	59,744	9,092	53,187	3,274	10,577	205,900	210,891
DEDUCT: Claim payments made:								
Current year injuries	22,034	141	222	16,706	69	2,249	41,421	43,637
Prior years' injuries	38,483	42,642	9,427	28,244	4,276	6,582	129,654	132,524
	60,517	42,783	9,649	44,950	4,345	8,831	171,075	176,161
BALANCE, end of year	$ 147,729	$ 428,205	$ 82,310	$ 141,775	$ 28,522	$ 42,791	$ 871,332	$ 836,507

The table below shows the cash flows anticipated to pay benefits to existing claimants in future years. The estimated cash outflows are the present value of future amounts forecast to pay benefits and have been determined using the above long-term assumptions.

	(thousands of dollars)
2006 – 2010	$ 449,597
2011 – 2015	200,983
2016 – 2020	106,818
2021 – 2025	56,215
2026 – 2030	28,961
2031 and beyond	28,758
	$ 871,332

The following is a reconciliation of the claim benefit liabilities:

	2005	2004
	(thousands of dollars)	
BALANCE, beginning of year	$ **836,507**	$ 801,777
ADD:		
Provision for current year injuries	**141,039**	141,815
Interest allocated	**58,163**	51,484
Prior years' claim cost experience higher than expected	**18,357**	30,758
Effect of actual cost of living adjustment lower than expected	**(11,659)**	(13,166)
	205,900	210,891
DEDUCT:		
Benefit payments	**162,244**	167,091
Claim adjudication expense	**8,831**	9,070
	171,075	176,161
BALANCE, end of year	**$ 871,332**	$ 836,507

10. Funded Reserves:

	2005				2004
	Disaster & Occupational Disease	Second Injury & Re-employment	Economic Stabilization Reserve	Total	Total
	(thousands of dollars)				
BALANCE, beginning of year	**$ 22,770**	**$ 5,693**	**$ –**	**$ 28,463**	$ 28,463
Appropriation to fund allocation to employers	**11,289**	**12,892**	**–**	**24,181**	20,818
Allocations to employers	**(11,289)**	**(12,892)**	**–**	**(24,181)**	(20,818)
BALANCE, end of year	**$ 22,770**	**$ 5,693**	**$ –**	**$ 28,463**	$ 28,463

To maintain a funded status that is consistent with the statutory requirements of the Act, the Board has established the following reserves to ensure the maintenance of a fully funded position:

a) The Disaster and Occupational Disease Reserve was created to provide all employers with cost relief in the event of a disaster. Additionally, this reserve will also cover costs that may arise from latent occupational diseases where exposure today may result in the establishment of a future claim.

b) The Second Injury and Re-employment Reserve was established to provide employers with cost relief on claims that were attributed to an earlier injury and to assist in facilitating return to work through retraining.

c) The Economic Stabilization Reserve was created to ensure sufficient funds are available to meet required benefit levels and to reduce the magnitude of fluctuations in the average premium rate.

11. Premiums:

	2005	2004
	(thousands of dollars)	
Premiums	**$ 217,737**	$ 218,725
Premiums dedicated to replenishment of the Injury Fund	**5,724**	5,533
Experience Rating Program – Discounts	**(19,050)**	–
Experience Rating Program – Surcharges	**11,040**	–
Industry safety associations	**(3,449)**	(3,227)
	$ 212,002	$ 221,031

Beginning in 2004, the Board added 2.6% to the premium rate to replenish the $79,830,000 deficit in the Injury Fund as at December 31, 2003 over a fifteen year period. As the deficit is reduced through operating surpluses, the amortization period will be reduced.

The Board levies an additional premium on certain industry codes to collect funds which are in turn disbursed to the safety associations representing those industries. In 2005, funds were collected on behalf of and disbursed to the Saskatchewan Forest Industries Safety Association Inc., Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Prairie Implement Manufacturers Association, Saskatchewan Association of Health Organizations, C6 Safety Association of Saskatchewan Inc. and Saskatchewan Meat Industry Safety Association.

The Government of Canada is a self-insured employer whose claims are administered by the Board. The Government reimburses the Board for all claims paid out on their behalf plus an administration fee. Gross premiums reported are net of amounts received from the Government of Canada and accordingly claim costs do not include self-insured claims. Monies paid to the Board for reimbursement of these claims are reflected in the Statement of Cash Flows as cash received from premiums and monies paid out relating to these claims are recorded as cash paid out to claimants or third parties on their behalf.

The Experience Rating Program was introduced in 2005 to provide an incentive for employers to emphasize safety and injury prevention in the workplace. Based on an analysis of an employer's claim history over a three year period, the experience rate is calculated at the same time as annual rates and applied to the employer's base industry premium rate for the following year. Employers may receive discounts off their premiums for good claims records or may be surcharged for their poor claims records.

12. Employee Future Benefits:

The Board sponsors defined benefit and defined contribution pension arrangements covering all employees. The Board uses actuarial reports prepared by an independent actuary for accounting purposes. The net defined benefit plan revenue is based on an extrapolation of the results revealed in the most recent actuarial valuation of the pension plan as at January 1, 2005. The following significant actuarial assumptions were employed to determine the periodic pension revenue and accrued benefit obligations:

	2005	2004
Expected long-term rate of return on plan assets	**5.00%**	6.00%
Discount rate	**5.00%**	6.00%
Average rate of compensation increase	**1.00% for 2006 3.25% thereafter**	4.50%
Average remaining service period	**3.56 years**	6.27 years
Inflation	**2.25%**	3.00%

Net benefit plan revenue is as follows:

	2005	2004
	(thousands of dollars)	
Current service cost – defined benefit	**$ 330**	$ 297
Interest cost	**1,597**	1,568
Expected return on plan assets	**(1,936)**	(1,889)
Amortization of net actuarial loss	**227**	340
Amortization of net transitional asset	**(878)**	(878)
Net benefit plan revenue	**$ (660)**	$ (562)

Notes to Financial Statements

Information about the Board's defined pension benefit plan is as follows:

	2005	2004
	(thousands of dollars)	
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	**$ 26,720**	$ 25,162
Current service cost – employer share	**330**	297
Current service cost – employee share	**122**	134
Interest cost	**1,597**	1,568
Actuarial loss	**2,930**	583
Benefits paid	**(1,116)**	(1,024)
Accrued benefit obligation, end of year	**$ 30,583**	$ 26,720
Plan Assets		
Fair value of plan assets, beginning of year	**$ 32,757**	$ 30,676
Expected return on plan assets	**1,936**	1,889
Employer contributions	**–**	–
Employee contributions	**122**	134
Benefits paid	**(1,116)**	(1,024)
Actuarial gain	**2,079**	1,082
Fair value of plan assets, end of year	**35,778**	32,757
Plan surplus	**5,195**	6,037
Unamortized net actuarial loss	**5,322**	4,698
Unamortized net transitional asset	**(4,084)**	(4,963)
Net accrued pension benefit asset	**$ 6,433**	$ 5,772

The following table presents the current total fund benchmark and asset component ranges, based on market values.

	Minimum %	Benchmark %	Maximum %
Equities:			
Canadian equities	10	25	40
Foreign equities	10	25	35
Fixed Income:			
Bonds	30	45	60
Mortgages	0	0	5
Short-term investments	0	5	30

During the year, the Board incurred costs of $1,326,000 (2004 – $1,306,000) related to its defined contribution plan.

Notes to Financial Statements

13. Related Party Transactions:

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

These transactions, and amounts outstanding at year-end, are as follows:

	2005	2004
	(thousands of dollars)	
Premium revenue	**$ 44,748**	$ 45,133
Claim costs	**11,532**	13,190
Accounts payable	**8,569**	8,162
Investments	**5,833**	4,350
Administration expenses	**1,244**	1,261
Investment income	**643**	404
Accounts receivable	**42**	83

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other related party transactions are disclosed separately in the notes.

14. Fair Value of Financial Assets and Liabilities:

The following methods and assumptions were used to estimate the fair value of each class of financial assets and liabilities:

(i) For the following financial assets the fair values are determined with reference to quoted market values on recognized stock exchanges, based on the latest bid or transaction prices:

a) bonds and debentures

b) equities

The fair value of the pooled bond fund and pooled equity funds is determined by the market value of the underlying investments.

(ii) The carrying value of accounts receivable, accrued interest, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

(iii) It is not practical to determine the fair value of the benefits liabilities due to their long-term nature. The Board does not intend to settle these liabilities in the near term and there is no ready market to determine their fair value.

(iv) The carrying value of the annuity fund payable approximates its fair value at December 31, 2005.

15. Contingencies:

Due to the size, complexity and nature of the Board's operations, various legal matters are pending. In the opinion of management, these matters will not have a material effect on the Board's financial position or results of operations.

16. Comparative Figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.

Schedule 1 – Administration Expenses

Year ended December 31, 2005

	2005	2004
	(thousands of dollars)	
Salaries and employee benefits	**$ 25,301**	$ 24,744
Amortization of property, plant and equipment	**4,801**	4,228
WorkSafe Saskatchewan	**1,145**	890
Computer processing	**949**	1,040
Communications and postage	**935**	994
Travel and automobile expenses	**831**	847
Building operations	**795**	1,055
Printing, stationery and office supplies	**758**	748
Consulting services	**681**	789
Miscellaneous	**661**	656
Professional services	**497**	364
Office rental	**411**	422
	37,765	36,777
Less:		
Assessment penalties	**919**	773
Fees charged to self-insurers	**920**	856
	35,926	35,148
Less:		
Administration costs charged to Future Benefits Administration (note 9)	**8,831**	9,070
	$ 27,095	$ 26,078

Exhibit 1: Statement of Investments

Year ended December 31, 2005

Security	Par Value	Carrying Value
	(thousands of dollars)	
Discount Notes and Treasury Bills (maturity greater than 90 days)	$ 43,960	$ 43,221
Government of Canada	159,309	166,304
Province of British Columbia	8,397	10,135
Province of Manitoba	8,644	9,702
Province of New Brunswick	6,036	6,302
Province of Nova Scotia	5,042	5,681
Province of Ontario	24,532	28,454
Province of Quebec	13,977	15,583
Province of Saskatchewan	4,673	5,833
407 International	1,613	1,730
55 School Board Trust	1,422	1,686
Aeroports De Montreal	731	867
Alberta Capital Fin Authority	5,610	5,703
Alberta Muni Finance Corp.	650	715
Alliance Pipeline	1,827	2,202
Bank of Montreal	2,945	3,013
Bank of Nova Scotia	4,148	4,169
BC Ferry Services Inc.	1,249	1,354
BCE Inc.	1,016	1,059
Borealis Enersource	2,306	2,516
Canada Housing Trust	52,584	52,929
Canadian Imperial Bank of Commerce	917	897
Cards II Trust	2,297	2,264
Citigroup Finance Canada Inc.	1,006	990
Column Canada	1,006	1,079
Epcore Utilities	674	702
Falcon Trust Comm. Mtg.	1,017	1,010
Fortisalberta Inc.	927	1,082
GE Capital Canada Funding Co.	873	918
Genesis Trust Power Line of Credit	1,766	1,754
Glacier Credit Card Trust	2,393	2,412
Golden Credit Card	2,602	2,605
Greater Toronto Airports Auth.	1,401	1,434
HSBC Financial Corp. Ltd.	961	968
Hydro One Inc.	923	1,003
Int'l Bk Reconstr. & Dev.	2,600	3,030
Intl. American Dev. Bank ($EMU)	1,600	1,387
Investors Group Inc.	1,917	2,132
Loblaw Companies Ltd.	902	982
Manitoba Telecom Services	1,245	1,279
Merrill Lynch	5,384	5,746
Milit Air Inc.	1,516	1,660
N - 45 Degrees 1st CMBS Iss Corp.	834	894
National Bank	1,935	1,940
Ontrea Inc.	1,765	1,919
Quebec Finance Corp.	4,197	4,545
Royal Bank of Canada	4,646	4,889
Toronto Dominion Bank	1,321	1,346
Transcanada Pipelines Ltd.	1,309	1,803
Wells Fargo Financial Canada Corp.	1,038	1,058
York Receivables Trust	2,315	2,324
KBSH Canadian Corporate Bond Fund		32,395
Templeton Global Equity Trust		90,022
Greystone EAFE Plus Fund		64,509
Alimentation Couche – Tard Inc.		3,759
ATI Technologies		3,415
Bank of Nova Scotia		18,749
Barrick Gold Corp.		4,527
Brookfield Asset Mgt.		6,146
Cameco Corp.		9,344
Canadian Imperial Bank of Commerce		10,476
Canadian National Railway		12,625
Canadian Natural Resources Ltd.		10,739
CGI Group Inc.		2,941
Dorel Industries Inc.		486
Encana Corporation		15,003
Falconbridge Ltd.		7,926
Finning Int'l Inc.		4,562
Goldcorp Inc.		4,824
Home Capital Group Inc.		2,209
Husky Energy Inc.		5,761
Loblaw Companies Ltd.		3,997
MacDonald Dettwiler & Associates		3,491
Magna Int'l Inc.		2,409
Manulife Financial Corp.		17,621
National Bank		6,215
Potash Corp of Saskatchewan Inc.		5,449
Power Corp. of Canada		13,003
Power Financial Corp.		3,208
Precision Drilling Corp.		6,109
Research In Motion Ltd.		7,403
Rogers Communications Inc.		7,371
Rona Inc.		3,966
Royal Bank of Canada		18,513
Saputo Inc.		1,196
Shoppers Drug Mart Corp.		11,251
SNC-Lavalin Group Inc.		6,090
Suncor Energy Inc.		12,326
Talisman Energy Inc.		13,725
Teck Cominco Ltd.		9,290
Telus Corp.		11,544
Transcanada Corp.		5,816
Trican Well Services Co. Ltd.		2,190
West Fraser Timber Co. Ltd.		2,017
Westjet Airlines Ltd.		2,695
3M Company		1,604
Alliant Techsystems Inc.		727

Security	Par Value	Carrying Value
	(thousands of dollars)	
Amgen Inc.		2,561
Apache Corp.		1,790
Bank of America Corp.		2,507
Burlington Northern Santa Fe		1,969
Capital One Financial Co.		1,693
Church & Dwight Co. Inc.		1,008
Citigroup		1,532
Cleveland Cliffs Inc.		894
Coach Inc.		1,782
Conocophillips		1,179
Exelon Corp.		1,321
Exxon Mobil Corp.		2,214
Forest Laboratories Inc.		1,124
Franklin Resources Inc.		2,223
General Electric Co.		2,264
Home Depot Inc.		1,574
Ingersoll Rand Co.		1,850
Intel Corp.		1,744
Joy Global Inc.		1,859
KB Home		726
Lennar Corp.		1,479
McGraw Hill Cos. Inc.		1,584
Merrill Lynch		693
Microsoft Corp.		2,620
Nabors Industries Ltd.		2,072
Occidental Pete Corp.		1,444
Omnicom Group Inc.		1,198
Pepsico Inc.		1,564
Pfizer Inc.		1,429
Phelps Dodge Corp.		1,174
Praxair Inc.		1,351
Procter & Gamble Co.		2,419
Qualcomm Inc.		1,984
Quest Diagnostic Inc.		1,783
Symantec Corp.		1,667
Texas Instruments		1,638
TXU Corp.		1,293
Unitedhealth Group Inc.		3,093
US Bancorp Del		2,009
Valero Energy Corp.		854
3100 Production Way		2,478
3131 ST Martin Equities		622
410 & 7 Equities Inc.		1,254
50 Bloor Street West		3,134
5800-5900 Explorer Drive Mississauga		3,823
Airways III		2,757
Bramalea City Centre		1,820
Brampton Business Park		2,571
Bridgeport Road Equties Inc.		1,651
Broadway Equities Inc.		760
Carrefour Lachenaie		1,895
Circle Properties Ltd.		5,597
CN Convention Centre		620
Colebrook 152 Holdings Inc.		1,543
Commerce Valley Office		1,666
Cordova Equities Inc.		2,161
Crossroads Shopping Centre		498
Eskimo Equities Inc.		367
FP Equities Inc.		348
Glenwood Estates		656
Hewlett – Packard		3,881
Key West		2,298
KS Equities Inc.		2,722
Marine Drive		706
Pension Fund Realty Ltd		1
Peregrine – Airport Equities Ltd.		404
Peregrine – Westview Manitoba		271
Portland Street		1,702
Quance Equities Inc.		735
Rodick Equities Inc.		503
Rutherford Properties Ltd.		1,754
Seven Oaks Equities Inc.		2,340
Sherwin Road Industrial Park		826
Shoppers World		1,035
Terra Losa Shopping Centre		2,229
Tilbury Island Equities		943
University Equities		1,282
Victoria Gate		649
Westhills Equity Inc.		1,138
Westside Equities Inc.		1,008
	$ 403,978	$ 1,044,664

Security	Par Value	Carrying Value
	(thousands of dollars)	
Discount Notes and Treasury Bills (maturity greater than 90 days)	$ 43,960	$ 43,221
Government of Canada Bonds	159,309	166,304
Provincial Government Bonds	71,301	81,690
Corporate Bonds	129,408	133,995
KBSH Canadian Corporate Bond Fund	–	32,395
	403,978	457,605
Templeton Global Equity Trust		90,022
Greystone EAFE Plus Fund		64,509
Canadian Equities		300,387
American Equities		69,493
		524,411
Real Estate		62,648
	$ 403,978	$ 1,044,664

Exhibit 2: Statement of Investment Dispositions

Year ended December 31, 2005

Interest Rate %	Security	Maturity Date	Proceeds
		(thousands of dollars)	
	3100 Production Way	Canadian Equity	$31
6.611	Aeroports De Montreal	October 11, 2033	422
5.000	Alberta Capital Fin Authority	December 2, 2013	3,033
	Alcan Inc.	Canadian Equity	5,475
7.181	Alliance Pipeline	June 30, 2023	44
	Alliant Techsystems Inc.	U.S. Equity	916
	Amgen Inc.	U.S. Equity	312
	Anheuser-Busch Co. Inc.	U.S. Equity	738
	ATI Technologies	Canadian Equity	426
	Bank of Montreal	Canadian Equity	9,182
	Bank of Nova Scotia	Canadian Equity	2,504
3.930	Bank of Nova Scotia	February 18, 2010	1,883
	Barrick Gold Corp.	Canadian Equity	684
6.250	BC Ferry Services Inc.	October 13, 2034	968
	Best Buy Inc.	U.S. Equity	814
5.474	BMO Capital Trust	December 31, 2014	1,302
6.626	BNS Capital Trust	June 30, 2012	2,459
	Bramalea City Centre	Canadian Equity	916
	Bridgeport Road Equties Inc.	Canadian Equity	70
	Brunswick Corp.	U.S. Equity	632
	Cameco Corp.	Canadian Equity	5,681
FR	Canada Housing Trust	March 15, 2010	27,954
FR	Canada Housing Trust	September 15, 2010	24,899
	Canadian Imperial Bank of Commerce	Canadian Equity	1,437
4.750	Canadian Imperial Bank of Commerce	December 22, 2014	1,285
FR	Canadian Imperial Bank of Commerce	September 9, 2015	466
	Canadian National Railway	Canadian Equity	1,271
	Canadian Natural Resources Ltd.	Canadian Equity	8,124
6.320	Canadian Tire	February 24, 2034	566
	Capital One Financial Co.	U.S. Equity	401
4.379	Cards II Trust	October 15, 2009	1,118
4.200	CDP Financial Debentures	July 14, 2008	1,121
	CGI Group Inc.	Canadian Equity	385
	Citigroup	U.S. Equity	1,175
4.300	Citigroup Finance Canada Inc.	August 5, 2008	746
	Coach Inc.	U.S. Equity	157
	Conocophillips	U.S. Equity	772
	Cott Corp.	Canadian Equity	2,870
	Doral Financial Corp.	U.S. Equity	523
	Dorel Industries Inc.	Canadian Equity	373
	Encana Corporation	Canadian Equity	3,999
	Ensign Energy Services Inc.	Canadian Equity	79
	Exelon Corp.	U.S. Equity	1,274
5.151	Falcon Trust Comm. Mtg.	January 15, 2011	9
	Falconbridge Ltd.	Canadian Equity	1,969
	Fedex Corporation	U.S. Equity	1,308
	Finning Int'l Inc.	Canadian Equity	705
	Forzani Group Ltd.	Canadian Equity	1,010
5.300	GE Capital Canada Funding Co.	July 24, 2007	1,483
3.650	GE Capital Canada Funding Co.	June 7, 2010	1,442
4.002	Genesis Trust Power Line of Credit	March 15, 2010	1,180
5.590	Gloucester Credit Card Trust	June 15, 2007	2,127
4.716	Gloucester Credit Card Trust	May 15, 2008	1,577
3.000	Government of Canada	December 1, 2005	1,728
3.250	Government of Canada	December 1, 2006	97,928
5.000	Government of Canada	June 01, 2014	98,071
3.000	Government of Canada	June 1, 2006	27,208
3.000	Government of Canada	June 1, 2007	192,709
6.000	Government of Canada	June 1, 2011	1,806
4.500	Government of Canada	June 1, 2015	93,001
4.000	Government of Canada	June 1, 2016	1,487
5.750	Government of Canada	June 1, 2029	1,687
5.750	Government of Canada	June 1, 2033	115,549
5.750	Government of Canada	September 1, 2006	12,447
4.250	Government of Canada	September 1, 2008	1,738
4.250	Government of Canada	September 1, 2009	70,639
4.000	Government of Canada	September 1, 2010	36,516
5.950	Greater Toronto Airports Auth.	December 3, 2007	1,479
6.470	Greater Toronto Airports Auth.	February 2, 2034	1,004
7.000	Greystone Capital Mgmt. Inc.	October 24, 2007	201
	Harley Davidson Inc.	U.S. Equity	999
4.200	Household Financial Corp. Ltd.	April 13, 2009	481
4.000	HSBC Financial Corp. Ltd.	May 3, 2010	1,085
4.000	Hydro One Inc.	June 23, 2008	1,553
4.375	Int'l Bk Reconstr. & Dev.	September 28, 2006	1,666
	ITT Industries Inc.	U.S. Equity	2,082
	Joy Global Inc.	U.S. Equity	185
	KB Home	U.S. Equity	1,758
	KBSH Canadian Corporate Bond Fund	Pooled Fund	7,000
	KS Equities Inc.	Canadian Equity	1,193
	Laboratory Corp. of America	U.S. Equity	1,069
	Lennar Corp.	U.S. Equity	252
	Loblaw Companies Ltd.	Canadian Equity	772
6.050	Loblaw Companies Ltd.	June 9, 2034	539
	Lowes Cos. Inc.	U.S. Equity	730
	MacDonald Dettwiler & Associates	Canadian Equity	117
	Magna Int'l Inc.	Canadian Equity	2,415
	Manulife Financial Corp.	Canadian Equity	1,954
	Masonite Intl. Corp.	Canadian Equity	5,476
	Meridian Gold Inc.	Canadian Equity	3,460
5.245	Merrill Lynch	June 6, 2013	618
5.750	Milit Air Inc.	June 30, 2019	73

Interest Rate %	Security	Maturity Date	Proceeds
		(thousands of dollars)	
	Mohawk Industries Inc.	U.S. Equity	924
	Nabors Industries Ltd.	U.S. Equity	377
	National Bank	Canadian Equity	880
4.926	National Bank	December 22, 2014	962
	Noranda Inc.	Canadian Equity	4,329
	Nortel Networks Corp.	Canadian Equity	4,536
	Novelis Inc.	Canadian Equity	719
	Occidental Pete Corp.	U.S. Equity	343
	Open Text Corp.	Canadian Equity	2,439
	Patheon Inc.	Canadian Equity	293
	Petro-Canada	Canadian Equity	3,359
	Petsmart Inc.	U.S. Equity	696
	Phelps Dodge Corp.	U.S. Equity	583
	Potash Corp of Saskatchewan Inc.	Canadian Equity	3,493
	Power Corp. of Canada	Canadian Equity	1,843
	Power Financial Corp.	Canadian Equity	1,009
	Praxair Inc.	U.S. Equity	848
	Precision Drilling Corp.	Canadian Equity	10,571
	Procter & Gamble Co.	U.S. Equity	398
6.375	Province of British Columbia	August 23, 2010	3,894
8.500	Province of British Columbia	August 23, 2013	5,495
5.750	Province of British Columbia	January 9, 2012	3,797
5.300	Province of British Columbia	June 18, 2014	1,088
5.400	Province of British Columbia	June 18, 2035	1,650
5.050	Province of Manitoba	December 3, 2013	2,867
5.875	Province of New Brunswick	December 6, 2012	1,466
9.250	Province of New Brunswick	January 18, 2013	1,582
5.700	Province of Newfoundland	October 17, 2035	1,483
6.250	Province of Nova Scotia	June 1, 2011	1,683
6.400	Province of Nova Scotia	September 01, 2010	753
5.700	Province of Ontario	December 1, 2008	2,318
6.100	Province of Ontario	December 2, 2011	3,361
5.375	Province of Ontario	December 2, 2012	3,391
4.850	Province of Ontario	June 2, 2020	1,571
5.600	Province of Ontario	June 2, 2035	1,617
5.200	Province of Ontario	March 8, 2007	3,574
5.000	Province of Ontario	March 8, 2014	5,363
4.500	Province of Ontario	March 8, 2015	3,308
5.850	Province of Ontario	March 8, 2033	6,169
6.100	Province of Ontario	November 19, 2010	3,398
FR	Province of Ontario	October 1, 2008	9,074
FR	Province of Quebec	August 6, 2011	9,632
6.250	Province of Quebec	December 1, 2010	755
5.500	Province of Quebec	December 1, 2014	5,220
5.750	Province of Quebec	December 1, 2036	1,499
5.500	Province of Quebec	June 1, 2009	1,586
6.000	Province of Quebec	October 1, 2012	3,361
5.250	Province of Quebec	October 1, 2013	8,484
5.750	Province of Saskatchewan	March 5, 2029	1,429
	QLT Inc.	Canadian Equity	1,697
	Qualcomm Inc.	U.S. Equity	91
	Research In Motion Ltd.	Canadian Equity	773
	Rogers Communications Inc.	Canadian Equity	853
	Rona Inc.	Canadian Equity	544
	Royal Bank of Canada	Canadian Equity	2,044
4.180	Royal Bank of Canada	June 1, 2014	472
5.950	Royal Bank of Canada	June 18, 2014	691
5.450	Royal Bank of Canada	November 4, 2018	1,333
	Rutherford Properties Ltd.	Canadian Equity	70
	Saputo Inc.	Canadian Equity	1,706
	Shoppers Drug Mart Corp.	Canadian Equity	1,055
	SNC-Lavalin Group Inc.	Canadian Equity	2,827
	Spectrum Brands Inc.	U.S. Equity	436
	Stratos Global Corp.	Canadian Equity	1,162
	Suncor Energy Inc.	Canadian Equity	1,434
	Synaptics Inc.	U.S. Equity	285
	Talisman Energy Inc.	Canadian Equity	2,458
	Teck Cominco Ltd.	Canadian Equity	1,822
	Telus Corp.	Canadian Equity	1,254
	Templeton Global Equity Trust	Pooled Fund	345
	TJX Companies	U.S. Equity	438
5.690	Toronto Dominion Bank	June 3, 2013	1,742
4.540	Toronto Dominion Bank	September 5, 2008	1,889
	Transcanada Corp.	Canadian Equity	785
	Tundra Semiconductor Corp.	Canadian Equity	745
	Weatherford International Ltd.	U.S. Equity	2,518
	West Fraser Timber Co. Ltd.	Canadian Equity	297
	Westjet Airlines Ltd.	Canadian Equity	313
			$1,094,521

Exhibit 3: Statement of Investment Acquisitions

Year ended December 31, 2005

Interest Rate %	Security	Maturity Date	Par Value	Purchase Value
			(thousands of dollars)	
	3100 Production Way	Canadian Equity		$499
	3131 ST Martin Equities	Canadian Equity		622
	3M Company	U.S. Equity		505
	410 & 7 Equities Inc.	Canadian Equity		344
	5800-5900 Explorer Drive Mississauga	Canadian Equity		358
4.435	Alberta Capital Fin Authority	December 15, 2011	2,512	2,560
4.450	Alberta Capital Fin Authority	December 15, 2025	3,098	3,092
5.850	Alberta Muni Finance Corp.	June 1, 2012	650	722
	Alcan Inc.	Canadian Equity		2,062
	Alimentation Couche – Tard Inc.	Canadian Equity		3,349
7.181	Alliance Pipeline	June 30, 2023	199	238
	Alliant Techsystems Inc.	U.S. Equity		184
	Amgen Inc.	U.S. Equity		626
	Apache Corp.	U.S. Equity		375
	ATI Technologies	Canadian Equity		1,164
4.870	Bank of Montreal	April 22, 2015	1,655	1,654
	Bank of America Corp.	U.S. Equity		391
	Bank of Nova Scotia	Canadian Equity		521
3.930	Bank of Nova Scotia	February 18, 2010	4,583	4,599
5.650	Bank of Nova Scotia	July 22, 2008	1,426	1,494
	Barrick Gold Corp.	Canadian Equity		128
6.270	Borealis Enersource	May 3, 2011	186	209
	Bramalea City Centre	Canadian Equity		113
	Brascan Corp.	Canadian Equity		5,013
	Bridgeport Road Equties Inc.	Canadian Equity		694
	Broadway Equities Inc.	Canadian Equity		760
	Brookfield Asset Mgt.	Canadian Equity		446
	Brunswick Corp.	U.S. Equity		125
	Burlington Northern Santa Fe	U.S. Equity		1,577
FR	Canada Housing Trust	March 15, 2010	6,464	6,470
4.050	Canada Housing Trust	March 15, 2011	25,501	25,447
5.100	Canada Housing Trust	September 15, 2007	17,752	18,250
FR	Canada Housing Trust	September 15, 2010	30,938	30,972
	Canadian Imperial Bank of Commerce	Canadian Equity		289
4.750	Canadian Imperial Bank of Commerce	December 22, 2014	1,263	1,260
FR	Canadian Imperial Bank of Commerce	September 9, 2015	1,395	1,389
	Canadian National Railway	Canadian Equity		3,093
	Canadian Natural Resources Ltd.	Canadian Equity		302
	Capital One Financial Co.	U.S. Equity		502
3.869	Cards II Trust	October 15, 2010	2,297	2,297
	Carrefour Lachenaie	Canadian Equity		1895
	CGI Group Inc.	Canadian Equity		77
	Church & Dwight Co. Inc.	U.S. Equity		234
	Citigroup	U.S. Equity		1,170
3.490	Citigroup Finance Canada Inc.	September 22, 2008	1,006	1,006
	Cleveland Cliffs Inc.	U.S. Equity		692
	CN Convention Centre	Canadian Equity		620
	Coach Inc.	U.S. Equity		443
	Conocophillips	U.S. Equity		321
	Cordova Equities Inc.	Canadian Equity		103
	Crossroads Shopping Centre	Canadian Equity		498
	Doral Financial Corp.	U.S. Equity		472
	Encana Corporation	Canadian Equity		2,051
	Ensign Energy Services Inc.	Canadian Equity		68
5.650	Epcore Utilities	November 16, 2035	674	671
	Exelon Corp.	U.S. Equity		762
	Exxon Mobil Corp.	U.S. Equity		969
	Falconbridge Ltd.	Canadian Equity		5,667
	Fedex Corporation	U.S. Equity		155
	Finning Int'l Inc.	Canadian Equity		130
	Forest Laboratories Inc.	U.S. Equity		1,226
	FP Equities Inc.	Canadian Equity		348
5.300	GE Capital Canada Funding Co.	July 24, 2007	138	143
3.650	GE Capital Canada Funding Co.	June 7, 2010	1,442	1,439
5.650	GE Capital Canada Funding Co.	October 23, 2009	873	934
	General Electric Co.	U.S. Equity		1178
4.002	Genesis Trust Power Line of Credit	March 15, 2010	2,944	2,940
4.444	Glacier Credit Card Trust	November 20, 2008	242	250
	Glenwood Estates	Canadian Equity		275
4.716	Gloucester Credit Card Trust	May 15, 2008	125	130
	Goldcorp Inc.	Canadian Equity		4,138
4.159	Golden Credit Card	October 15, 2008	312	320
3.250	Government of Canada	December 1, 2006	59,282	59,618
2.750	Government of Canada	December 1, 2007	36,373	35,697
5.000	Government of Canada	June 01, 2014	74,595	78,856
3.000	Government of Canada	June 1, 2007	220,923	220,660
5.250	Government of Canada	June 1, 2013	5,125	5,478
4.500	Government of Canada	June 1, 2015	97,473	101,787
4.000	Government of Canada	June 1, 2016	6,105	6,000
5.750	Government of Canada	June 1, 2033	73,548	88,642
5.000	Government of Canada	June 1, 2037	13,362	15,357
5.750	Government of Canada	September 1, 2006	1,725	1,792
4.250	Government of Canada	September 1, 2008	2,150	2,179
4.250	Government of Canada	September 1, 2009	40,069	41,268
4.000	Government of Canada	September 1, 2010	68,337	69,738
5.170	Greater Toronto Airports Auth.	June 2, 2008	1,401	1,464
	Greystone EAFE Plus Fund	Pooled Fund		12961
	Harley Davidson Inc.	U.S. Equity		290
	Home Capital Group Inc.	Canadian Equity		2,410
	Home Depot Inc.	U.S. Equity		688
4.000	HSBC Financial Corp. Ltd.	May 3, 2010	2,052	2,061
	Husky Energy Inc.	Canadian Equity		5,421
4.000	Hydro One Inc.	June 23, 2008	130	133
	Ingersoll Rand Co.	U.S. Equity		393
	Intel Corp.	U.S. Equity		389
4.375	Int'l Bk Reconstr. & Dev.	September 28, 2006	1,300	1,605
5.750	Intl. American Dev. Bank ($EMU)	June 15, 2011	1,600	1,482
	ITT Industries Inc.	U.S. Equity		352
	Joy Global Inc.	U.S. Equity		133
	KB Home	U.S. Equity		242

Interest Rate %	Security	Maturity Date	Par Value	Purchase Value
			(thousands of dollars)	
	KS Equities Inc.	Canadian Equity		659
	Lennar Corp.	U.S. Equity		1022
6.050	Loblaw Companies Ltd.	June 9, 2034	120	134
	Lowes Cos. Inc.	U.S. Equity		72
	MacDonald Dettwiler & Associates	Canadian Equity		451
	Manulife Financial Corp.	Canadian Equity		3,000
	Marine Drive	Canadian Equity		149
	McGraw Hill Cos. Inc.	U.S. Equity		1504
4.700	Merrill Lynch	September 12, 2008	178	185
	Merrill Lynch	U.S. Equity		701
	Microsoft Corp.	U.S. Equity		455
	Mohawk Industries Inc.	U.S. Equity		102
	Nabors Industries Ltd.	U.S. Equity		438
	National Bank	Canadian Equity		168
4.700	National Bank	November 2, 2020	1,935	1,929
	Occidental Pete Corp.	U.S. Equity		186
	Omnicom Group Inc.	U.S. Equity		1184
	Pepsico Inc.	U.S. Equity		1549
	Peregrine – Westview Manitoba	Canadian Equity		271
	Petsmart Inc.	U.S. Equity		525
	Pfizer Inc.	U.S. Equity		349
	Phelps Dodge Corp.	U.S. Equity		610
	Potash Corp of Saskatchewan Inc.	Canadian Equity		410
	Power Corp. of Canada	Canadian Equity		347
	Praxair Inc.	U.S. Equity		322
	Precision Drilling Corp.	Canadian Equity		6,014
	Procter & Gamble Co.	U.S. Equity		558
6.375	Province of British Columbia	August 23, 2010	1,599	1,796
8.500	Province of British Columbia	August 23, 2013	4,174	5,428
5.300	Province of British Columbia	June 18, 2014	3,846	4,229
5.700	Province of British Columbia	June 18, 2029	120	130
5.400	Province of British Columbia	June 18, 2035	1,490	1,577
8.000	Province of British Columbia	September 8, 2023	2,279	3,220
5.200	Province of Manitoba	December 3, 2015	2,033	2,234
5.700	Province of Manitoba	March 5, 2037	1,775	2,068
5.500	Province of Manitoba	November 15, 2018	3,039	3,349
4.500	Province of New Brunswick	February 4, 2015	3,953	3,976
9.250	Province of New Brunswick	January 18, 2013	1,179	1,566
6.375	Province of New Brunswick	June 15, 2010	2,083	2,318
6.250	Province of Nova Scotia	June 1, 2011	1,494	1,660
5.800	Province of Nova Scotia	June 1, 2033	1,498	1,623
6.400	Province of Nova Scotia	September 01, 2010	3,544	4,003
6.100	Province of Ontario	December 2, 2011	65	72
5.375	Province of Ontario	December 2, 2012	3,139	3,363
5.500	Province of Ontario	June 12, 2018	961	1,024
4.850	Province of Ontario	June 2, 2020	3,957	4,017
6.200	Province of Ontario	June 2, 2031	3,024	$3,655
5.600	Province of Ontario	June 2, 2035	7,701	8,246
5.000	Province of Ontario	March 8, 2014	3,760	3,971
4.500	Province of Ontario	March 8, 2015	5,219	5,358
6.100	Province of Ontario	November 19, 2010	100	111
FR	Province of Ontario	October 1, 2008	9,057	9,075
FR	Province of Quebec	August 6, 2011	9,625	9,634
6.250	Province of Quebec	December 1, 2010	671	743
5.500	Province of Quebec	December 1, 2014	4,889	5,226
5.000	Province of Quebec	December 1, 2015	3,222	3,345
5.750	Province of Quebec	December 1, 2036	4,425	4,913
5.500	Province of Quebec	June 1, 2009	1,511	1,619
5.250	Province of Quebec	October 1, 2013	4,501	4,733
5.000	Province of Saskatchewan	March 5, 2037	946	943
6.400	Province of Saskatchewan	September 5, 2031	1,136	1,427
	Qualcomm Inc.	U.S. Equity		252
	Quance Equities Inc.	Canadian Equity		735
5.250	Quebec Finance Corp.	December 1, 2011	1,053	1,112
	Quest Diagnostic Inc.	U.S. Equity		1833
	Research In Motion Ltd.	Canadian Equity		5,006
	Rogers Communications Inc.	Canadian Equity		821
	Rona Inc.	Canadian Equity		412
	Royal Bank of Canada	Canadian Equity		5,752
5.000	Royal Bank of Canada	January 20, 2014	2,384	2,471
5.450	Royal Bank of Canada	November 4, 2018	415	453
	Rutherford Properties Ltd.	Canadian Equity		70
	Shoppers Drug Mart Corp.	Canadian Equity		2,558
	Spectrum Brands Inc.	U.S. Equity		730
	Suncor Energy Inc.	Canadian Equity		4,082
	Symantec Corp.	U.S. Equity		426
	Synaptics Inc.	U.S. Equity		444
	Talisman Energy Inc.	Canadian Equity		372
	Teck Cominco Ltd.	Canadian Equity		735
	Telus Corp.	Canadian Equity		5,132
	Templeton Global Equity Trust	Pooled Fund		547
	Terra Losa Shopping Centre	Canadian Equity		632
	Texas Instruments	U.S. Equity		321
	Tilbury Island Equities	Canadian Equity		943
4.970	Toronto Dominion Bank	October 30, 2015	1,321	1,320
	Transcanada Corp.	Canadian Equity		162
8.290	Transcanada Pipelines Ltd.	February 5, 2026	170	234
	Trican Well Services Co. Ltd.	Canadian Equity		1,566
	TXU Corp.	U.S. Equity		1329
	Unitedhealth Group Inc.	U.S. Equity		2577
	University Equities	Canadian Equity		113
	US Bancorp Del	U.S. Equity		432
	Valero Energy Corp.	U.S. Equity		876
	Weatherford International Ltd.	U.S. Equity		2531
	West Fraser Timber Co. Ltd.	Canadian Equity		642
	Westjet Airlines Ltd.	Canadian Equity		642
4.272	York Receivables Trust	July 21, 2008	247	254
			$ 923,063	$1,095,579

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